



american cleaning institute®
for better living

June 18, 2015

Honorable James Lankford
Chairman
Regulatory Affairs & Federal Management Subcommittee
Homeland Security & Governmental Affairs Committee
United States House of Representatives
Washington, DC 20515

Honorable Heidi Heitkamp
Ranking Member
Regulatory & Federal Management Subcommittee
Homeland Security & Governmental Affairs Committee
United States House of Representatives
Washington, DC 20515

RE: Subcommittee Hearing on Re-examining EPA's Management of the Renewable Fuel Standard Program

Dear Chairman Lankford and Ranking Member Heitkamp:

The American Cleaning Institute® (ACI) welcomes the interest of the subcommittee on Environmental Protection Agency's (EPA) management of the Renewable Fuel Standard (RFS) program. ACI is the trade associate representing the \$30 billion U.S. cleaning products market. ACI members include the formulators of soaps, detergents, and general cleaning products used in household, commercial, industrial and institutional settings as well as companies that supply ingredients, including oleochemical manufactures, and finished packaging. ACI and its members are dedicated to improving health and quality of life through sustainable cleaning products and practices, and its mission is to support the sustainability of the cleaning products industry through research, education, outreach and science-based advocacy.

The U.S. oleochemical industry has been disadvantaged by federal biofuel subsidies in the form of tax credits and guaranteed markets under the RFS. Oleochemicals are chemicals made from animal fats, an agricultural commodity, and seed oils including fatty alcohols and fatty acids that have wide ingredient application in industrial and consumer products (See Attachment A). Oleochemicals are the original "green chemistry" and the domestic oleochemical industry provides direct and indirect employment for an estimated 25,000 people.

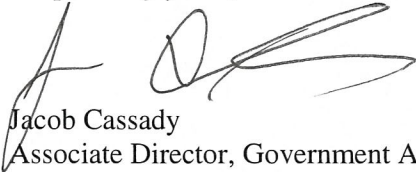
ACI has respectfully requested (via comments on proposed fuel volumes) EPA to use its discretionary authority to lower the volume requirement for biomass-based diesel, or, alternatively, to exclude animal fats as a feedstock option. The RFS program continues to divert large quantities of animal fats to the biofuels market. The domestic oleochemical industry is critically disadvantaged by this because the supply of animal fats is finite and inelastic. The latitude to reduce these volumes is provided by statute, which indicates EPA's ability to reduce the applicable volume of advanced biofuel and total renewable fuel if it is determined that the projected volume of cellulosic biofuel production for that year falls short. This will prevent an over reliance on certain fuels over others, especially biomass-based biodiesel, which uses the same animal fats as feedstock.

Agency mandates should not choose winners and losers. EPA has a responsibility, if not duty, to equally protect all industries that rely on animal fats to produce goods. Biofuel production consumes a significant amount of the total supply of animal fats and current policies threaten not only the price but the availability of animal fats for oleochemical production. Since 2006, under the combined policies of the RFS2 and tax incentives for biofuels, the price of animal fats has increased 116 percent. EPA should limit the percentage of animal fat supply that can be used in the production of biofuels or eliminate animal fats as a feedstock option. It is unfair to place such a heavy burden on a source that is as inelastic as animal fats.

EPA's repeated delays in issuing the volume standards for the RFS further complicates the market uncertainty previously addressed. Continued market uncertainty will force oleochemical producers to switch to alternative feedstocks, specifically, foreign-sourced palm oil, which could result in the domestic industry being lost to foreign competitors and threaten these breadwinner jobs.

Thank you for your examination the EPA's management of this program and for your attention and consideration of these comments. I may be reached at (202) 662-2514 or via electronic mail at jcassady@cleaninginstitute.org.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Jacob Cassady', with a stylized flourish extending to the right.

Jacob Cassady
Associate Director, Government Affairs

cc: Members of the Subcommittee on Regulatory Affairs & Federal Management

Attachment A

Representative Oleochemical Uses

Daily toiletry care

Soap (liquid/bar)
Toothpaste
Shaving Cream
Moisturizing body Cream
Mouthwash
Cosmetic creams
Shampoo
Hair conditioner
Make-up
Body washes
Hand lotions
Nail Care products

Other Uses:

Tires
Various rubber products
Pharmaceuticals
Building materials - foams
Lubricants
Mattresses
Automobiles - car dashboards
Inks
Paints
Textile fiber finishing
Fragrances (carriers)
Adhesives
Resins
Plastics
Water treatment materials
Paper Processing
Hydraulic Fluids
Corrosion inhibitors
Dairies - food processing
Agriculture-dispersing agent

Clothing Care

Detergents
Fabric softener
Stain removers

Cleaning/homes/buildings

Hard surface cleaners & sanitizers
Dish detergent (hand/machine)
Glass cleaner
Candles
Air fresheners